

BENTON COUNTY, WASHINGTON
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. The County Should Comply With The Statutory Requirements For Revaluation For Real Property

The Benton County Assessor adopted a six-year real property revaluation schedule. Physical inspections are to be cycled over the six years. Areas not physically inspected are to be statistically revalued each year.

The county has not been able to meet the annual statistical revaluation requirements. In 1993, only two of the five total areas in the county were revalued. The physical and new construction inspections requirements were met.

RCW 84.41.030 states:

Each county assessor shall maintain an active and systematic program of revaluation on a continuous basis, and shall establish a revaluation schedule

RCW 84.41.041 states:

. . . in accordance with the plan filed with and approved by the department of revenue. Such revaluation plan shall provide that a reasonable portion of all taxable real property within a county be revalued and these newly-determined values placed on the assessment rolls each year.

To accomplish these requirements, RCW 84.41.050 states:

Each county assessor in budgets hereafter submitted, shall make adequate provision to effect county-wide revaluation as herein directed. The . . . county commissioners in passing upon budgets submitted by the assessor . . . shall authorize and levy amounts which in the judgment of the board will be sufficient to carry out the directions of this chapter.

Staffing levels have been difficult to maintain due to staff taking job opportunities in other related areas. Also, the increase in new construction has taken the available staff time to ensure it is valued annually as required by the statutes.

Because the assessor is not meeting the statutory revaluation requirements, not all taxable property on the tax rolls is assessed at current market value. As a result, the distribution of taxes levied to real property parcels is not in proportion with current valuation. This results in some property owners paying less than their fair share of property taxes, while other property owners pay more than their fair share of property taxes.

We recommend the Benton County Commissioners and Assessor take the necessary steps to accomplish the statutory requirements for revaluation of real property.

2. Public Funds Were Misappropriated

Our audit of the financial records of the Benton County Auditor's Office revealed that at least \$1,300.00 in public funds was misappropriated by Joseph Strong, office manager, during the period March 29, 1994, through May 3, 1994. There were no federal funds involved in this case.

On June 10, 1994, officials of the Benton County Auditor's Office notified the State Auditor's Office of a misappropriation of motor vehicle license cash receipts. The loss of funds was reported to the City of Richland Police Department under case numbers C94-1444, C94-1545, and C94-1668. During our current audit, we reviewed the results of the county's investigation and agreed with their findings and conclusions. This investigation confirmed that public funds were misappropriated from the Benton County Auditor's Office as described below.

Joseph Strong increased the amount recorded on checks included in the daily bank deposit and stole an amount of funds equal to this alteration. These check alterations were promptly detected by routine checks and balances included in the county's system of internal control.

Joseph Strong was the office manager during the period of this loss. In this capacity, he was responsible for making the daily bank deposit. Mr. Strong resigned on May 3, 1994.

RCW 42.20.070 states in part:

Every public officer, and every other person receiving money on behalf or for or on account of the people of the state or of any department of the state government or of any bureau or fund created by law in which the people are directly or indirectly interested, or for or on account of any county, city, town or any school, diking, drainage, or irrigation district who

(1) Shall appropriate to his own use of the use of any person not entitled thereto, without authority of law, money so received by him as such officer or otherwise: or

(2) Shall knowingly keep any false account, or make any false entry or erasure in any account, of or relating to any money so received by him; or

(3) Shall fraudulently alter, falsify, conceal, destroy or obliterate any such account; or

(4) Shall wilfully omit or refuse to pay over to the state, its officer or agent authorized by law to receive the same, or to such county, city, town, or such school, diking, drainage or irrigation district or to the proper officer or when it is a duty imposed upon him by law to pay over and account for the same, shall be punished by imprisonment in the state penitentiary for not more that fifteen years.

RCW 9A.60.020 states:

Forgery. (1) A person is guilty of forgery if, with intent to injure or defraud:

(a) He falsely makes, completes, or alters a written instrument or;

(b) He possesses, utters, offers, disposes of, or puts off as true a written instrument which he knows to be forged.

(2) Forgery is a class C felony.

RCW 9A.20.021 states in part:

Maximum sentences for crimes committed July 1, 1984, and after.

(1) Felony. No person convicted of a classified felony shall be punished by confinement or fine exceeding the following:

(c) For a class C felony, by confinement in a state correctional institution for five years, or by a fine in an amount fixed by the court of ten thousand dollars, or by both such confinement and fine

We recommend Benton County seek recovery of the misappropriated \$1,300.00 and related audit/investigation costs from Joseph Strong and their insurance bonding company.

Bond coverage for the office manager is as follows:

Company:	American States Insurance
Type of Coverage:	Commercial Crime Coverage Public Employee Dishonesty bond
Policy Number:	01-FI-001717-2
Amount:	\$100,000
Period of Coverage:	January 10, 1994, to January 10, 1995

We further recommend Benton County and the Benton County Prosecuting Attorney review this matter and take whatever action is deemed necessary under the circumstances. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by RCW 43.09.260.